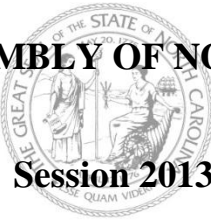


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2013

FISCAL ANALYSIS MEMORANDUM

[This confidential fiscal memorandum is a fiscal analysis of a draft bill, amendment, committee substitute, or conference committee report that has not been formally introduced or adopted on the chamber floor or in committee. This is not an official fiscal note. If upon introduction of the bill you determine that a formal fiscal note is needed, please make a fiscal note request to the Fiscal Research Division, and one will be provided under the rules of the House and the Senate.]

DATE: June 4, 2014
TO: House Finance Committee
FROM: Sandra Johnson
 Fiscal Research Division
RE: House Bill 1201

FISCAL IMPACT					
(\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund Expenditures:	0.0	0.4	0.4	0.4	0.4
NET STATE IMPACT	(0.0)	(0.4)	(0.4)	(0.4)	(0.4)
Local Impact					
Expenditures:	0.0	0.1	0.2	0.2	0.2
NET LOCAL IMPACT	(\$0.0)	(\$0.1)	(\$0.2)	(\$0.2)	(\$0.2)
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Department of Revenue					
EFFECTIVE DATE: January 1, 2015					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY: House Bill 1201 exempts from sales and use tax admission charges to agricultural fairs. The exemption becomes effective January 1, 2015, and applies to gross receipts derived on or after that date.

ASSUMPTIONS AND METHODOLOGY: Enacting HB 1201 and exempting agricultural fair ticket sales from sales tax reduces General Fund availability by \$0.4 million per fiscal year. According to the Department of Agriculture, ticket sales from these events generate roughly \$7.4 million in revenue. A sales tax exemption would reduce General Fund availability by \$0.4 million.

The fiscal impact of HB 1201 is based on Department of Agriculture ticket sales data from the following agricultural fairs:

Alexander County Agricultural Fair
Atlantic District Fair Association
Avery County A & H Fair
Bethware Community Fair
Burke County Fair
Cabarrus County Fair
Caldwell County Agricultural Fair
Cape Fear Fair & Expo
Cape Fear Fair Association
Central Carolina Fair
Chatham Co. Agri. & Industrial Fair
Chowan County Regional Fair
Cleveland County Fair Association
Coastal Carolina Ag Fair
Columbus Agriculture Fair, Inc.
Cumberland County Fair
Davidson County Agriculture Fair
Dixie Classic Fair
Drexel Community Fair
Duplin County Agricultural Fair
Haywood County Fair
Hickory American Legion Fair
Iredell County Agricultural Fair

Lee Regional Fair
Lenoir County Agricultural Fair
Macon County Agricultural Fair
Moore County Agricultural Fair
N.C. Mountain State Fair
N.C. State Fair
Onslow County Agricultural Fair
Pitt County American Legion Agricultural Fair, Inc.
Richmond County Agricultural Fair
Robeson Regional Agricultural Fair
Rocky Mount Agricultural Fair
Rowan County Agri. & Ind. Fair
Stanly American Legion Post #76 Agricultural Fair
Stokes County Agricultural Fair
Surry County Agricultural Fair
Vance County Regional Fair
Warren County Agricultural Fair
Wayne Regional Agricultural Fair
Wilkes County Agricultural Fair
Wilson County Fair

SOURCES OF DATA: North Carolina Association of Agricultural Fairs, North Carolina Department of Agriculture

TECHNICAL CONSIDERATIONS: None